

URBAN CORRIDORS OFFICE UPDATE

BRIEFING PAPER

Prepared for the APRIL 2004 TRANSPORTATION COMMISSION MEETING

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Approved by: John Conrad, Assistant Secretary for Engineering and Regional Operations
Division

PURPOSE:

To update the Commission on the status of the Regional Transportation Investment District (RTID), the funding vehicle that could provide resources for significant portions of the state's major highway projects in King County.

ACTION/OUTCOME:

No action is required by the Commission.

BACKGROUND:

The 2002 Washington State Legislature authorized the creation of the Regional Transportation Investment District (RTID). This funding mechanism allows King County, Pierce County and/or Snohomish County to form a funding district to raise revenues to make improvements to highways of statewide significance, approaches to highways of statewide significance, and a small percentage of off-system improvements. All three counties agreed to form a planning committee, made up of all the county council members in the 3-county area and led by ex-officio member Secretary of Transportation Doug MacDonald, to explore which taxes and projects could be funded and built. The Planning Committee is guided by a 7-member Executive Committee, with two council members from Snohomish and Pierce each, and three council members from King County. The Executive Committee spent most of 2003 developing a draft plan, but difficulties in King County and the results from recent polling led the Executive Committee in December 2003 to postpone their release of a draft plan until more consensus is built in King County.

DISCUSSION:

The RTID Executive Board adopted a revised revenue plan at its March 2004 meeting. The draft RTID Plan is scheduled for completion in late April 2004, including a detailed project list. Impacting the composition of that list is a determination by the Sound Transit Board on whether or not Sound Transit will join the RTID for a common ballot measure, as early as November 2004. The Sound Transit Board should determine if they agree to a common ballot measure at their April 8 meeting. Their decision and an update on current issues facing the RTID will be discussed.

RECOMMENDATION:

N/A.

For further information, contact: David Dye, Urban Corridors Office Administrator, and (206) 464-1221.

DRAFT
April 6, 2004
by David L. Dye

**Regional Transportation Investment District
Funding Level Alternatives
State Bonding Compared to RTID-only Bonding**

2005-2019 • billions of dollars
*Funding levels assume revenue streams bonded**

RTID-only Bonding

Funding Sources Proposed By The Executive Board, Sept. 18, 2003 at the \$75 License Fee Level	All Three Counties	King	Pierce	Snohomish
0.3% Sales Tax	5.70	3.45	1.27	1.05
\$75 License Fee	3.7	2.0	0.9	0.7
0.3% MVET**	1.7	1.1	0.3	0.3
2.8¢ Local Option Gas Tax	1.1	0.6	0.3	0.2
Total	12.20	7.15	2.76	2.25
<i>Financing assumptions:</i> (1) Bond capacity includes state bonding authority beyond the RTID bonding authority. (2) Bonds issued will be 25-year bonds with interest-only payments for five years on most bond sales. (3) Bond sales limited so that the revenue to debt service coverage ratio remains above 1.15. (4) A minimum balance is maintained at least six-months debt service.				

RTID-only Bonding Authorization

Funding Sources Proposed By The Executive Board, Sept. 18, 2003 at the \$75 License Fee Level	All Three Counties	King	Pierce	Snohomish
0.3% Sales Tax	5.32	3.22	1.20	0.90
\$75 License Fee	3.4	1.9	0.9	0.7
0.3% MVET	1.7	1.1	0.3	0.2
2.8¢ Local Option Gas Tax	1.0	0.5	0.3	0.2
Total	11.42	6.72	2.70	2.00
<i>Financing assumptions:</i> (1) Bonds capacity includes only the RTID bonding authority, no state bonding authority. (2) Bonds issued will be 25-year bonds with interest-only payments for five years on most bond sales. (3) Bond sales limited so that the revenue to debt service coverage ratio remains above 1.35. (4) A minimum balance is maintained of at least six-months debt service.				

**Funding levels assume expenditure will occur at the same rate as reflected in the August 2003 proposed project list for King County, the November 2003 list for Pierce County and the October 2003 list for Snohomish County.*

***The MVET funding levels do not change between the bonding authorization levels due to the fact that the MVET is modeled initially by itself to isolate the fund dedicated to HOV projects. The residual HOV projects above what the MVET can fund are then modeled with the rest of the unrestricted funds. Therefore, the MVET in itself is not large enough to be subject to bonding constraints.*

Totals may not add due to rounding.